

**BEFORE THE
ILLINOIS COMMERCE COMMISSION**

Request for Public Comment Concerning the
Implementation of Governor Blagojevich's proposal for a
Sustainable Energy Plan

**COMMENTS OF
Rockford Geothermal LLC.**

Rockford Geothermal LLC. respectfully submits the following comments to the Illinois Commerce Commission's (ICC) in response to the Request for Public Comments Concerning the Implementation of Governor Blagojevich's proposal for a Sustainable Energy Plan for Illinois (the Plan).

Introduction

Rockford Geothermal is the Rockford's area's only WaterFurnace™ dealer, installer and service representative. Rockford Geothermal is a LLC registered in Illinois. Rockford Geothermal is also a Pre-Qualified Service Provider in the Governor's SBSE Program, as well as an Energy Star Partner.

Rockford Geothermal has been working with the Regional Energy Program (REP) Director in Rockford, putting the word out about SBSE to local businesses, and encouraging them to register and participate. On January 3rd 2005, Jack DiEnna, from the Geothermal Heat Pump Consortium, came to Rockford and made a presentation explaining the SBSE program to 35 Rockford area business owners. Rockford Geothermal along with the Northern Stateline Regional Energy Program, co-sponsored the event which garnered a very positive response. We saw clearly that the business sector in Rockford is ready to 'get down to business' when it comes to protecting their profits by lowering their energy expenses. Rockford is ready for the next step. Putting the pilot program into full swing will help create in Rockford, the awareness and incentives that will begin the move into the incredible savings that Geoexchange can provide the citizens of Illinois.

Discussion

We strongly support the plan and believe that it represents the best and most comprehensive means available for creating a sustainable energy future for Illinois. The proposed Renewable Portfolio Standard and Energy Efficiency Portfolio Standard will help improve electric reliability, enhance the environment, lower the cost of doing business in the state, and create jobs. These results can only be achieved by implementing the Plan as proposed by Governor Blagojevich.

In our view, the renewable portfolio standard represents an effective tool for ensuring the procurement of energy from renewable sources. This plan addresses imbalances within the energy sector that have held back renewable resources from competing with conventional resources.

Similarly, the energy efficiency portfolio standard is well designed to achieve its purpose. It is our opinion that it will go a long way toward reducing energy use and electric demand, while also producing significant environmental benefits. The economic benefits are equally compelling. Many new jobs will be created for the individuals and companies that provide these energy efficiency services. These will involve various trades (contractors, product dealers, architects, construction workers, etc.), and will involve the acquisition of important new skill sets. Illinois households and businesses will enjoy lower utility bills and will consequently have more disposable income to spend or save, and capital will be freed up for business expansion and new hiring.

In implementing the Energy Efficiency Portfolio Standard, it is critical to the success of this plan that the competitive long-term contracts awarded to efficiency services providers achieve not only demand reduction (KW) but also overall energy savings (kWh) to avoid a load shifting problem and to ensure a permanent solution. Furthermore, we applaud the Governor's proposal for long-term contracts to allow for true market transformation to take place and for permanent sustainable energy efficiency measures to be implemented. For example, Heating, Ventilation and Air Conditioning (HVAC) systems typically account for over 30% of the energy requirements of homes, businesses and institutions, yet many of the programs implemented by

other states have not adequately addressed this end use. Many of the programs adopted by other states focus on “quick-fix” measures like lighting, whereas very little effort is expended on more complex measures like HVAC, where substantial opportunities to capture energy savings and demand reduction are being overlooked. In our view, to serve the needs of Illinois ratepayers, the programs selected for funding must strike a balance between short-term “quick-fix” measures and measures that significantly reduce energy use and demand, that have long useful lives and low likelihood of removal or being over-ridden by a less-committed customer.

To that end we strongly support the Governor’s recommendation that the ICC establish an Illinois Sustainable Energy Advisory Council to ensure the Plan’s successful implementation. Furthermore, we strongly support the Governor’s recommendation that \$10 million be made available to support the energy efficiency programs administered by the Department of Commerce and Economic Opportunity (DCEO). It is our experience that, despite best intentions, the programs selected by electric utilities and alternative retail electric suppliers can not address all necessary gaps on the road to market transformation – DCEO can help fill such gaps. Some program activities can be hard to quantify, yet they are essential to building the local infrastructure and to achieving the set energy efficiency goals (such as training for building trades, building operators, engineers, architects and design professionals). These obstacles should be addressed by DCEO and not left without the attention they require.

Conclusion

In conclusion, we believe that the Sustainable Energy Plan represents a very real opportunity to advance the use of renewable technologies and addressing the state’s energy and environmental needs. We strongly support the Plan as proposed by Governor Blagojevich and urge Chairman Hurly and the ICC to commence with implementation for the good of Illinois and its citizens.

Respectfully submitted this 10th day of March, 2005,

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